

 Early Warning System

EBRD-55443

FIF - Vitas Palestine SME loan II



## Quick Facts

Countries	Palestine, West Bank, Gaza
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-10-22
Borrower	Vitas Palestine for Microfinance Company
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 5.00 million
Project Cost (USD)	\$ 5.00 million



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## Project Description

According to the Bank's website, the project consists of the provision of a senior MSME loan of up to USD 5.0 million (EUR 4.7 million) in favor of Vitas Palestine for Microfinance Company, a for-profit microfinance institution incorporated in the West Bank. The MSME loan will be structured in two equal tranches (USD 2.5m committed tranche and USD 2.5m uncommitted tranche) and will be utilised by Vitas for on-lending to eligible local MSMEs based in the West Bank.

The loan is likely to be accompanied by a 20% first-loss risk cover (FLRC) in the amount of USD 1.0 million (EUR 0.94 million) funded by the European Union through the SEMED Financial Inclusion Program. The FLRC will be in the form of a partial portfolio guarantee in favor of Vitas in order to support lending to MSMEs in the current challenging operating environment.

The operation will enable Vitas Palestine to scale up lending to MSMEs in the West Bank particularly in response to the increased financing needs faced by MSMEs in the wake of the October 7th, 2023, events, which had severe negative impacts on the economic activity in the West Bank in general, and on MSMEs in particular.



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## Investment Description

- European Bank for Reconstruction and Development (EBRD)

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## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Vitas Palestine](#) (Financial Intermediary)



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### Private Actors Description

Vitas Palestine is a for-profit microfinance institution incorporated in the West Bank. It was established in its current form in 2013, and in 2015 the Company obtained its license as a private specialized lending company from the PMA and has been regulated by it since. Currently, the Company operates in WB&G through 10 branches and employs over 150 people. Vitas Palestine focuses on three main lending products: housing loans, MSMEs loans, and consumer loans.



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## Contact Information

### COMPANY CONTACT INFORMATION

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www.vitas.ps

### ACCESS TO INFORMATION

You can request information by emailing: [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com) or by using this electronic form:  
<https://www.ebrd.com/eform/information-request>

### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form at:  
[http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en)

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



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## Bank Documents

- [Translation: FIF - Vitas Palestine SME loan II \(Arabic\)](#)